



(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2005-06

(session year)

<u>Senate</u>

(Assembly, Senate or Joint)

Committee on Labor and Election Process Reform...

COMMITTEE NOTICES ...

- Committee Reports ... CR
- Executive Sessions ... ES
- Public Hearings ... PH

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... Appt (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... CRule (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)

(ab = Assembly Bill)

(ar = Assembly Resolution)

(ajr = Assembly Joint Resolution)

(sb = Senate Bill)

(sr = Senate Resolution)

(sjr = Senate Joint Resolution)

Miscellaneous ... Misc

Senate

Record of Committee Proceedings

Committee on Labor and Election Process Reform

Senate Bill 576

Relating to: popular election of technical college district boards, providing an exemption from and extending the time limit for emergency rule procedures and granting rule-making authority.

By Senators A. Lasee and Darling; cosponsored by Representatives Musser, Wood, Kerkman, LeMahieu, F. Lasee, Suder, Lehman, Rhoades, Towns and Vukmir.

February 06, 2006

Referred to Committee on Labor and Election Process Reform.

February 8, 2006

PUBLIC HEARING HELD

(4)

Present:

Senators Reynolds, Lazich, Hansen and

Carpenter.

Absent:

(1) Senator Kanavas.

Appearances For

- Alan Lasee Senator
- Alberta Darling Senator
- Randy Wessel, Racine

Appearances Against

- Paul Gabriel, Madison WI Tech College District Boards Assn.
- James Shilling, Sparta Western Technical College
- Marykay Morelli, Manitowoc Lakeshore Technical College
- Daniel Andrist, Sheboygan Lakeshore Technical College
- Dan Clancy, Madison System President, WI Tech College System
- Sandy Duckett, Green Bay Northeast Wisconsin Technical College
- JoAnne Ehasz, Mauston Western Technical College
- Lee Rasch, La Crosse Western WI Technical College/WTCS Presidents Assn

Appearances for Information Only

• None.

Registrations For

• Terry Musser — Representative, 92nd Assembly District

Registrations Against

- Andrew Lyons, Madison WEAC
- Sharon Nevins Holmes, Fond du Lac Moraine Park Technical College
- Judy Urben, Oshkosh Moraine Park Technical College
- Tama Meili, Madison WI Tech College Board Assn
- Hank Hurley, Shell Lake WI Indianhead Technical College
- Joanne Ricca, Milwaukee WI State AFL-CIO
- Tim Elverman, Milwaukee Milwaukee Area Tech College
- Tom Neill, Waukesha Waukesha County Technical College
- Dan Hymans, Ashland Memorial Medical Center
- Peggy Moede, Madison Waukesha County Technical College
- Michael Lanser, Cleveland Lakeshore Technical College
- Mark Reihl, Madison WI State Council of Carpenters
- Peter Thillman, Green Bay Lakeshore Tech College
- Steve Tenpas, Windsor

May 4, 2006

Failed to pass pursuant to Senate Joint Resolution 1.

Patrick Henneger Committee Clerk



February 7, 2006

Daniel Andrist F/T Student Lakeshore Technical College

A Students Perspective

Proposed Senate Bills SB 531 and SB 576

I am a Marketing Program student at Lakeshore Technical College. I'm looking forward to graduating in May and finding a decent, good paying job to support my family and pursue the American Dream of becoming a home owner. This goal may not have been possible if it wasn't for the exceptional education, real world experiences and unmatched opportunities I've received from Lakeshore Technical College.

What Brought Me to Lakeshore Technical College

Over two years ago I was laid-off from a small family owned automotive repair shop where I was employed as the Service Manger. What was I to do? At that point in my life I had been employed in the same industry for over 8 years and had held management positions with large corporations and small "ma & pa" establishments all the while I had never earned my high school diploma, LTC was there for me and helped me earn my GED.

Now that I had my GED where was to go from here, after long consideration and the faith and encouragement of my family and friends, I decide to enroll at Lakeshore Technical College. I chose Lakeshore Technical College because it was close to my house and was affordable, LTC fit my lifestyle.

My Technical College Experience

Not only has Lakeshore Technical College provided me with an exceptional education, my time at LTC has also been packed full of unmatched opportunities that have helped build the skills, confidence and knowledge needed to succeed in today's workplace.

I am the current WTCS LTC State Ambassador, with this honor comes several opportunities to represent the student body at community events in Sheboygan and Manitowoc Counties. I have had the opportunity to assist with strategic planning at LTC, sit in on board meetings, speak to business and industry leaders, and attend service club meetings.

Not only have I had the opportunity to represent LTC, I have also had opportunities to assist with the growth and advancement of both Sheboygan and Manitowoc County's economy. I serve on a marketing advisory committee for a safety consulting firm in Sheboygan. I also had the opportunity to write a business plan for a small manufacturing firm in Manitowoc. Both of these opportunities came the way of network contacts that I had an opportunity to meet through LTC. Both of these businesses have become very successful and are contributing to the economic growth of both respective counties, without LTC this may not have happened.

My time at LTC has also brought me the opportunity to serve the State of Wisconsin as a whole. While at LTC I've had the opportunity to meet several Senators, Representatives and Governor Doyle. Recently Governor Doyle appointed me to the Council on Workforce Investment, which I feel is an opportunity to give back to the programs that assisted me and to help Wisconsin grow a diverse, well educated and strong workforce to fill the changing job needs in Wisconsin.

Rising Tuition Costs, Program Elimination

If the proposed Senate Bill, SB 531 0% permanent freeze on Technical College levies, were to be passed, the above mentioned opportunities may not be available for future Technical College students. A 0% tax freeze on Technical College levies means a loss of operating revenue and in the larger picture means cuts in program offerings, higher tuition cost and limited resources to assist training partners, which are real businesses in the community, and who use Technical College services to build a stronger, better trained workforce.

Some programs may be eliminated entirely and who's going to explain to the students in those programs, that they have wasted valuable time and money, on a degree that they will not be able to graduate from because there is not enough funding to continue offering their program. Or that they can no longer afford to continue attending a Technical College because tuition costs are too high? I certainly will not be the barer of that bad news.

A Political and Personal Agenda

Senate Bill SB 576, elected boards, raise's the question "Do we as citizens trust the integrity of our elected officials?" Technical College boards consist of a diverse group of members that represent each respective districts population; they are appointed by elected officials, and are non-partisan.

If the Technical College Boards become elected officials, who will be willing to campaign with their own money, serve the position without compensation, and keep the best interests of the educational process intake? Will they become subject to individual political agendas or the agenda of those who fund their political campaigns? I feel all these questions need to be answered before this Bill becomes Law.

An Invaluable Resource

Wisconsin's Technical College System is an invaluable resource that not only benefits the students that they serve, but the entire community in which they are located. Technical Colleges play a vital role in Wisconsin's economy by developing a well educated and skilled workforce and partnering with business and industry to develop unique business opportunities.

The passage of Senate Bill's SB 531 and SB 576 would have a drastic effect on the Technical College System as we know it. Can we afford to limit the economic growth of Wisconsin as we see plants closing and laying-off hundreds of employees at a time on a regular basis, who will retrain those workers? The Technical Colleges of Wisconsin will.





Daniel Clancy, President Testimony on SB 576 Senate Committee on Labor and Election Process Reform February 8, 2006

Senator Reynolds and members of the Committee:

Thank you for this opportunity to comment on SB 576, a proposal to establish popularly elected boards for the state's 16 technical college districts. The use of locally-appointed boards to govern technical education dates back to the early days of Wisconsin vocational schools. The technical college district governance structure is designed to incorporate public accountability mechanisms from the American models of general elections, business management and open public government. By statute, the responsibility to appoint, and to remove, the individuals who serve on technical college district boards is given to local elected officials, either county board chairs or presidents of the local school boards, depending on which local governing bodies created the district.

The Legislature requires these local officials to include key stakeholders on every district board and to establish and follow a plan of representation that reflects the demographic diversity of each district. By statute, each district board must include two employers, two employees, three additional members who are residents of the district, a K-12 school district administrator, and an elected state or local official. The members of district boards must be representative of the taxpayers of the district with respect to the general population distribution within the district and the distribution of women and minorities within the district. These statutory requirements for technical college district boards are enforced by State Board review and approval of all district board appointments. Both the local appointment process and local district boards are governed by Wisconsin's open meeting and open records requirements, which guarantee their accessibility to all taxpayers.

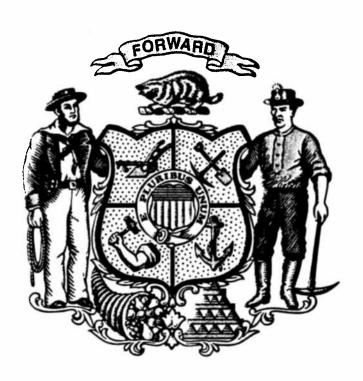
Wisconsin is widely acknowledged as having a world-class system for career, technical, and adult education. Whether you measure System success in terms of job placement of our graduates, employer and student satisfaction with the education and training we provide, or a strong return on investment for our students, their employers, and our community, Wisconsin's Technical College System excels. In times of tight budgets and fiscal constraints, our technical college districts have re-prioritized, stretched, and reallocated their budgets to serve record levels of students in high demand fields. Local district boards have made these difficult reallocation decisions in response to the needs and expectations of students, taxpayers, employers and their communities.

Clancy Testimony on SB 576 Senate Labor and Election Process Reform February 8, 2006 Page 2 of 2

The Speaker's Taskforce on the WTCS, chaired by Representatives Jeskewitz and Bies and including Representatives Wood and Steinbrink, has spent considerable time studying district board structure and governance issues. Based on their review, the Taskforce recommended support for selecting district boards through a local appointment process.

The Wisconsin Technical College System supports the existing district board appointment process because it gives locally elected officials the responsibility to select their local technical college district board members and, most importantly, because it ensures that local employers, employees and community leaders have a strong voice in determining the career and technical education programs provided by the System.

Thank you again for the opportunity to testify before the Committee. I would be happy to answer any questions.





TESTIMONY BEFORE THE SENATE COMMITTEE ON LABOR AND ELECTION PROCESS REFORM SENATE BILL 576 FEBRUARY 8, 2006

Good morning Chairman Reynolds and members of the committee. Thank you for scheduling SB 576 for a public hearing.

This bill is the Senate companion to Rep. Musser's AB 603, which was introduced over a year ago, received a public hearing in October, but has not moved out of committee. Just last week, Senator Lasee and I decided to move forward immediately on the Senate companion bill, in order to further the public discourse and keep the spotlight on this issue.

Back in December of 2003, I requested a Legislative Council Study on governance issues as they relate to Wisconsin's non-elected boards of directors. While that study was not approved and never undertaken, Speaker Gard did appoint a Task force to study technical colleges, and their role in local and state economy. The Task Force specifically studied the issue of governance, though their final recommendations were to keep the board make-up as is.

I support this initiative because I am convinced that Wisconsin's taxpayers are not receiving, on the whole, the necessary fiduciary representation by our non-elected technical college boards. In the past, questions surrounding accountability to the taxpayers have led me to question whether ANY non-elected board should have the power to levy taxes. At this point, I believe the best approach is to

My desire to change the governance structure is not solely based on my belief that tech college tax levy increases have been excessive. However, too many districts have passed annual levy increases that dwarf those of the local school boards, city and county governments.

Finally, while I will not disparage the recent budgets approved by our appointed technical college boards, I do think the power to levy hundreds of millions of dollars in taxes should bring with it the responsibility of open government and candid public accountability.

Many will dismiss this attempt by warning about "stocking the boards" by interest groups. Many others will blame the great geographical mass that makes up some districts as a reason not to try. However I feel that issues involving the expenditure of citizen tax dollars are most sacred.

As policy makers, we should stand up to the doubters, the nay-sayers and the pessimists, and make every effort to pass this bill, or a similar one, to bring the Wisconsin Technical College District boards in line with the other units of local governments that serve the taxpayers.



CURRENT LAW

- 16 individual technical college district boards consist of nine members each.
- Members of each district board are appointed by an appointment committee consisting of local elected officials.
- Each district board "make-up" is in accordance with the representative population distribution within the district, including women and minorities.
- All members of district boards must be residents of the district.
- Two members must be employers and two members must be employees. One member must be a school district administrator of a school district that lies within the technical college district.
- All members serve for three year terms.

SENATE BILL 576

- Requires each district board elect all members on a nonpartisan ballot at the spring election.
- Each member must be a resident district from which he or she is elected (same as current law)
- Board terms will be changed to four years.
- Current district board members serve until July 1, 2007, at which time district board members who are elected at the 2007 spring election would take office.
- The terms of the board members must be staggered so that at least two are elected every year.
- Nomination paper signature requirements, contribution limits, and spending guidelines are the same as for Assembly Representatives.
- Candidates for each district board are not eligible to receive public grants to finance their campaigns.



WISCONSIN STATE LEGISLATURE



Testimony February 8, 2006 SENATE BILL 576 – ELECTED TECHNICAL COLLEGE BOARDS

Dear Members of the Senate Labor Committee:

I am writing on behalf of Wisconsin Indianhead Technical College, the students, businesses and communities that we serve throughout Northwest Wisconsin.

While I am unable to testify in person at your February 8 hearing since I am currently attending the National Legislative Summit for Community Colleges, I am requesting that this letter serve as my testimony – in strong opposition to this proposed piece of legislation.

It is important to note that the current system of appointments to our technical college boards is, in fact, working very well in terms of ensuring equal representation and diversity. It is working well for the following reasons:

- 1. Appointments are made by elected county officials from all eleven counties within our district. These officials have, in fact, been elected by their constituents to make decisions and appointments such as this. The end result is a technical college board that includes representatives from <u>all</u> corners of the district including sparsely populated rural areas that may not, under the proposed "elected board" proposal, have a voice.
- 2. The current representation plan ensures that a technical college board includes two employers, two employees, one school district administrator, and four additional members-at-large. Women and minorities are encouraged. This ensures diversity on the board and enhanced decision-making.
- 3. Appointed board members are not indebted to special interest groups, nor do they need to stand firm on election platforms that may no longer be relevant in changing times. They enjoy more freedom and flexibility to make informed decisions without worrying about repercussions in terms of winning or losing future elections!

If technical college boards were elected, we could see a significant loss in equal representation as well as diversity. The election process would create additional expenses for technical colleges as well as candidates. Is this something that we can afford at a time when the state is actually considering a tax freeze upon our operating budgets? I don't think so!

In summary, the current board appointment system is working very well. If it's not broke, why fix it?

Thank you for your consideration of my comments. I will appreciate your support in retaining our appointed boards.

Sincerely,

Hank Hurley, President

Wisconsin Indianhead Technical College



Testimony February 8, 2006 Subject: SENATE BILL 576 – ELECTED TECHNICAL COLLEGE BOARDS

Dear Members of the Senate Labor Committee:

I'm writing as President of the Wisconsin Indianhead Technical College Board of Trustees, to express my opposition to this bill that would require technical college boards to be elected.

While I'm unable to attend the February 8 hearing, I am requesting that my written comments be entered into the testimony records.

I believe that the current board appointment system works well in terms of ensuring a balanced board with equal representation for constituents throughout this large 10,500 square mile district. My rationale is as follows:

As President of Memorial Medical Center in Ashland, Wisconsin, I have the perspective of one of the larger employers in the northern part of our district. I feel that it is important to ensure that technical college boards include individuals from diverse perspectives – employers and employees, school district representatives, women, and minorities. If boards were elected, we could easily lose this balance. This could negatively impact our ability, as a board, to make balanced decisions.

As a board member from Ashland County, I can also assure you that sparsely populated counties will most likely lose representation on elected technical county boards. We cannot compete with urban counties! This will result in loss of representation for some counties – or taxation without representation.

We also need to keep in mind the fact that technical college board members are appointed by elected county officials from all counties in the district. These individuals have been elected by their constituents to make decisions and appointments such as these.

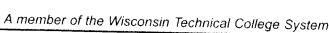
Finally, at a time when the state is actually considering a 0% growth tax levy freeze, how can we justify the expense of elected officials? If board members are to incur the expense of an election I'm confident that they would expect some form of compensation similar to other elected officials in the state. Now is not the time to begin diverting important education dollars to compensate what here-to-fore have been volunteer board members. The current appointment system is working. I believe that we have other, more important, issues to deal with at this point in time.

I will greatly appreciate your consideration in opposing this bill. Thank you.

Sincerely,

Daniel & Symans

Dan Hymans, President Memorial Medical Center





58 576

February 8, 2006

Members of the Senate Committee on Labor and Election Process

Re: Testimony opposing tax freeze and elected boards

Over the past few years there have been plant closings and layoffs in Manitowoc and Sheboygan Counties resulting in significant economic disruption. Despite these setbacks, the area has turned itself around and, in fact, is now having difficulty finding skilled workers. In a short time, the economic scenario has changed. Whether the economy is contracting or expanding, workers and businesses turn to Lakeshore Technical College (LTC) to retrain workers displaced by a business downturn or to upgrade the skills of those workers needed to help a business grow. LTC and the entire technical college system have responded by providing training and education to people living in the community so they can get good jobs.

Lakeshore Technical College's responsiveness is at the heart of our service to citizens in the Lakeshore community. The legislation, which is the subject of this hearing, jeopardizes our responsiveness. The zero percent tax freeze is extreme and would eliminate our ability to respond quickly. Most often we get little or no notice of layoffs. Many workers who are displaced face time constraints to finish their training. If we are unable to expand our capacity to meet their needs, displaced workers would go untrained and have little chance of regaining their earning power and dignity.

We are currently working hard with local businesses to help them meet their need for welders. In the past we worked to fill the shortage of nurses. Our connection with local businesses helps make LTC and the WTCS successful. Every LTC program has an advisory committee whose members are made up of industry employers. This same representation applies to our board. Our current board includes employers and employees, among others. This diverse representation is a strength and assures that our programming meets local needs. The current governance structure has served this state well since 1911. Look at the outcomes. This year alone, LTC has provided service to more than 14,000 people. We had 1,350 graduates in 2005, 73% of whom work in the Lakeshore area.

Our board is also very responsible. Take a look at our tax levy. Over the past three years, the levy increased by 4.58%, 3.21%, and 3.29% while the tax rate decreased each of the last 6 years. This means that local taxpayers are actually paying less in taxes to support the technical college. A person who owns a home valued at \$150,000 would pay \$234 in taxes. Where would we be without the nurses, paramedics, emergency personnel, welders, machine tool operators, and the many other workers it takes to make this community function?

Page 2

I recently received a letter from a student who is a true LTC success story:

"I recently finished up some credits in your (LTC) high school credit program. So now I am able to receive my high school diploma from North High School 20 years after my graduating class. For this opportunity I am truly grateful that your school would help me achieve this great accomplishment in my education. Your great school with excellent staff made it so easy and very enjoyable to pursue this part of my education, and I am looking forward to continuing my education at LTC."

This individual is now planning on completing an associate degree at LTC.

You should feel proud that our current system provides an opportunity for someone to succeed and make a better life for themselves years after graduation. Our system is about giving people the confidence they need to be successful and about giving businesses the workers they need to be successful. Our graduates stay, pay taxes, and make a difference. You can make a difference by not supporting SB-531 and SB-576.

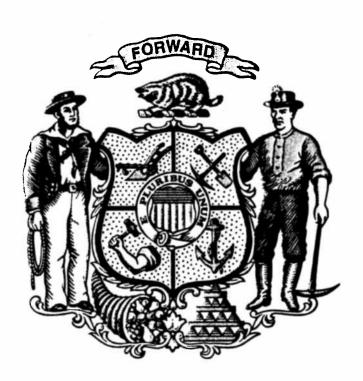
Sincerely,

Michael A. Lanser, Ed. D.

Michael a. Jansen

President
Lakeshore Technical College
1290 North Avenue
Cleveland, WI 53015
gotoltc.edu

Phone: 920.693.1123 Fax: 920.693.8078



-

no date

Senator Alan Lasee Testimony for Senate Bill 531 and Senate Bill 576

Good morning Chairman Reynolds and members of the committee. Thank you for scheduling both SB 531 and SB 576 for a public hearing today. Both of these bills deal with the Wisconsin Technical College Districts and will allow the taxpayers to have representation and a choice on how their tax dollars are used in regards to technical college districts.

Last year, Wisconsin's 16 technical college district boards increased their levies an average of 5.3%. That's triple the rate for all other taxing districts in Wisconsin combined.

The Waukesha Freeman reported that an LFB analysis found that in a period from 1994-95 budgets to 200-01 budget tech school property taxes grew 38.5% compared to 11.1% for statewide gross property taxes.

Senate Bill 531 would freeze the tech college taxes at the current level, but would allow for debt service payments. I understand that costs do increase over time and therefore, I am willing to accept a friendly amendment that would allow the levy to increase at cost of living or rate of inflation rates.

Tech Colleges can raise taxes to any level and the decisions are being made by non elected officials that have no accountability to the citizens and taxpayers of the tech districts.

I am also concerned about the unfair taxation that Door County pays to the Northeast Technical College District. Many towns, such as the town of Liberty Grove in my district pays \$1.3 million in tech school taxes and residents have 170 mile round trip to even attend classes at the Green Bay campus. The citizens of

Washington Island pay a half million in tech school taxes, but yet there K-12 school can barely keep its doors open to educate the school age children on the island without having them cross over ice or open water in the winter to attend school on the mainland. These individuals cannot afford \$500,000 in tech school taxes while they are struggling to keep their local school open.

All of these taxes are raised and levied by non-elected officials and without representation by the people. That brings me into SB 576, which requires tech school districts to have elected boards. Sen. Darling and I are here to ask your support for taxation with representation by voting in favor of SB 576.

This bill is not a discussion on all the good things the tech colleges have accomplished or how they are spending their money. This bill is about the ability to levy taxes with accountability to the electorate.

Today, you might hear a litany of reasons why a tech college board should not be elected. You may hear that no one will run for the board if they do not receive pay? You may hear that the elections might be skewed by lobbyist such as WEAC or WMC?

None of these questions are legitimate to the very concept of taxation with representation.

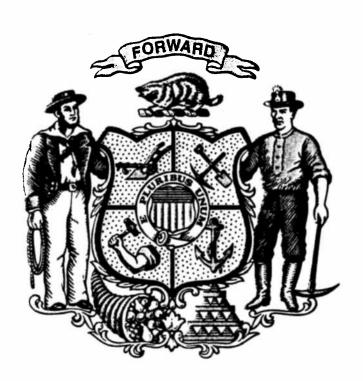
Many individuals run for town boards, planning commissions, parks commissions, school boards, etc. and volunteer all their time.

You might be surprised at all the people who would run for office and interested in the managing of local Tech Schools Districts. If the tech school district thinks it is appropriate to pay these members they may want to make a recommendation that board members get a stipend out of the current tech college budget.

As far as elections and boards being skewed by tech college personnel and big money lobbyist, it is the decision of the voters to determine if they agree with the decisions of the board and can always elect a new member if they are unhappy with the job of the board.

Let the voters and taxpayers decide how they want their tech colleges to be administered and how much of their tax money they are willing to spend. I support the notion of any board that deals with the raising of taxes to be voted upon and represent the taxpayers and citizens of their districts.

I am going to let Senator Darling say a few words and then she and I will be happy to answer any questions. Thank you again for your time and I urge you to support both SB 531 and SB 576.



no date

Testimony in SUPPORT of SB 576

I am Randy Wessel, of Wessel Computer Resources in Racine, Wisconsin. While I am speaking today as an individual, I will identify two pertinent affiliations for the record. I have worked as an Advisory Committee member for 15 years. Currently I am the Chair of the Advisory Committee for Computer Support and Network Specialists for Gateway for Gateway Technical College. In that role, I have enjoyed assisting in the creation of three separate IT programs from concept development to program inception, from-market analysis to post-graduate program review. Working as an independent advisor, I have been able to assist a technical school in completing its mission to provide high quality technical education in the state. The second affiliation I want to identify is that I am a current member of the Racine Taxpayers Association.

Events of the last few years – specifically events in the last ten months - at Gateway have seriously jaded my perception of Gateway's administration and its Board's ability to responsibly manage the tax dollars it is given by the state to run programs at the school. My experience has allowed me to witness the manner in which the WTCS oversees Chapter 38 of the Wisconsin State Statutes. From my observations, the WTCS has significantly contributed to the controversy and legal challenges surrounding Gateway and its Advanced Technology Centers. I will provide more to support that comment shortly. Clearly these experiences have flavored my perspective on both elected boards and requests for increased tax levies for technical education.

I am in FULL and TOTAL SUPPORT of ELECTED BOARDS for the Technical Schools in the state, as set forth in SB 576 for the following reasons:

1. In my role as a Program Advisor for Gateway for 15 years, never have I experienced an Administration and a Board so arrogant, closed-minded and unwilling to accept public opinion as in the management of Gateway. The Borden administration and the Gateway Board of Trustees allowed two newly created Advanced Technology Centers(ATCs) to be run by private 501(c)(3) corporations that operated via transfers of taxpayer levy dollars to these corporations without accountability of how the money was spent. Sam Borden, college President and a fellow district board member sat on the boards of these private entities creating a clear "conflict of interest" in the minds of knowledgeable taxpayers. The WTCS refused to comment or take a position against this perception in its own Programmatic and Financial Review of these relationships in its report released last September. Instead the WTCS chose to wait until the anticipated completion of the investigation by the Attorney General. In addition to the investigation by the Attorney General, an audit of Gateway was approved by your Legislative Audit Bureau last November and is currently underway. I cannot imagine these events would have happened with an ELECTED BOARD keeping an eye toward fiscal responsibility for the taxpayers of the Gateway Technical district.

- 2. The arrogance of the Borden administration (and now the Albrecht administration) can be empirically measured by the number of times they chose to hide behind the shield of "closed door" meetings under the protection of "high priced" attorneys paid for by tax dollars to discuss the business related to these entities which are currently under investigation. I cannot imagine this practice would have been tolerated and allowed to continue with an ELECTED BOARD.
- 3. The arrangement to retain William Nikolai to provide legal services to Gateway without simple performance checks, for ten thousand dollars a month PLUS benefits, demonstrates how ineffectual the Administration and the Board have been in keeping their own legal expenses in check. The Legislative Audit Bureau challenged the need for those services at that expense and the arrangement was terminated. At present, the school is effectively under a probationary agreement with the Legislative Audit Bureau as a result of the pattern it has established with its legal fees. A six-month review of their performance is due soon. I cannot imagine that this practice would have passed the muster of an ELECTED BOARD.
- The establishment of the IBM/ACE program currently running out of the 4. BioCATT Center on the Kenosha Campus reflects nothing but disdain for the taxpayers of the tri-county region. As the recently released WTCS report reveals, Gateway administration created the program absent input from the community, local employer needs, or from existing IT Advisory Committees. The WTCS report also reveals how the school circumvented "state mandated" procedures for program creation. The combination of these facts might explain why only 4 students have completed this program out of over 40 in 3 years. Many students have simply terminated their affiliation with the program. The expenses related to IBM/ACE far outweigh the benefits brought back to the school or the district, with a concern that there may be few if any jobs in the district for graduates. While Bryan Albrecht thought such a program would represent a new way of developing programs for the school, attempting to get "ahead of the curve," instead this approach represented another slap in the face for taxpayers in the Gateway district. I cannot imagine these actions would have taken place with an ELECTED BOARD.

- 5. Sam Borden, the immediate past President of Gateway, decided to retire early and left the school effective January 3, 2006. The Gateway Board formalized a severance package with Borden that is to pay him a \$90/hourly consulting fee and travel expenses, and this can be used for any legal actions that Borden may engage in for actions related to the operation of the ATCs. What public official gets paid-up legal fees and an hourly consulting fee when challenged about actions they have done in office? Ask Chuck Chvala, or Bryan Burke how much the state paid them as they defended themselves against the charges which resulted in their ultimate demise. I cannot imagine an ELECTED BOARD would allow such an offer to be extended to a former technical school president whose actions resulted in huge legal fees and state investigations.
- 6. In Table 4 of the initial WTCS report released back in September, revenues over expenses for both ATC entities are displayed. Not one of the small businesses I support in the region could survive with the ratio of revenues over expenses displayed in this table. (about \$70,000 in revenue over an excess of \$1.3 million in expenses.) Oddly, the WTCS only challenged Gateway on \$990 of the expenses, ignoring the lion share of the expenses incurred by these entities and funded by taxpayers. To further supplement my criticism of the WTCS, I would be willing to share the correspondence I have had with Dan Clancy over these matters. In my last letter to Mr. Clancy, dated October 26th, 2005 I document further how the WTCS has by default contributed to the Gateway insanity. Mr. Clancy has never replied. Again, I cannot imagine an ELECTED BOARD would allow such unbridled spending to take place.
- 7. The WTCS also reported how the privately owned ECP, Inc. child care corporation, currently housed in the BioCATT Center was financially supported to the tune of \$163,000 by the Gateway Foundation, Inc. when ECP, Inc. could not cover its own initial investment in addition to the college underwriting a huge loan for the Foundation. I cannot imagine an ELECTED BOARD would have supported the funding of this entity, let alone put the Gateway Foundation at financial risk by extending funds to a private corporation. A similar child care facility housed in the Racine campus and run by the school, with openly disclosed finances, has created no controversy whatsoever.

SB576 Wessel, Page 4

I truly hope that the results of the ongoing investigation by the Attorney General and the Legislative Audit Bureau will shed light on the truth about these arrangements, since the Administration and the Board have been less than forthcoming regarding these matters. Lest you think I am a lone critic of Gateway, please keep in mind that the investigations that are underway came about with the assistance of three of your own colleagues in this legislature – Senator Judy Robson, Senator Robert Wirch, and Representative John Lehman. Neighbors, friends and business associates, all fellow district taxpayers, with whom I have shared this story, are all amazed at what Gateway has been able to do with taxpayers' monies absent accountability and transparency afforded the rest of the schools in the state. Again, I do not believe any of this would have occurred with elected boards.

Thank you for allowing me the time to share my views on these matters with you today.

Randy Wessel
Wessel Computer Resources
Racine, WI
53408-1728
262-598-9325
wesselr@concentric.net



WISCONSIN STATE LEGISLATURE



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